



June 17, 2015

The Honorable David Vitter
United States Senate
516 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Vitter,

On behalf of the National Federation of Independent Business (NFIB), the nation's leading small business advocacy organization, I write in support of the *Small Business Tax Compliance Relief Act*, which would help alleviate the administrative burden of tax compliance on small business owners.

Tax complexity is a problem for small businesses because spending time and money on tax compliance drains financial resources. Small businesses annually spend between 1.7 billion and 1.8 billion hours on tax compliance and \$15 billion to \$16 billion on compliance costs. It is no wonder that 91 percent of NFIB members hire a professional tax preparer to handle their taxes and the majority let their tax preparer worry about added complexity in the tax code.

The *Small Business Tax Compliance Relief Act* would make several commonsense changes to the administration of our tax laws that cumulatively would help NFIB small business owner members struggling to comply with an overly complex tax code. Simplification measures such as increasing the de minimis safe harbor threshold for small businesses from \$500 to \$2,500 for purchases of tangible business property would incentivize investments in equipment and would greatly ease record keeping burdens.

Furthermore, NFIB is particularly pleased to see the inclusion expanded eligibility for cash accounting in this legislation. Cash accounting is a longstanding method of accounting and the foundation upon which small businesses have operated for decades. Expanding cash accounting would reduce the administrative and recordkeeping burdens on small businesses, would improve cash flow, and would allow them to focus on running and growing their businesses.

Thank you for introducing this important legislation. We look forward to working with you to provide tax relief for small businesses in the 114th Congress.

Sincerely,

A handwritten signature in black ink that reads "Amanda Austin". The signature is written in a cursive style.

Amanda Austin
Vice President
Public Policy